

SENATE BILL No. 93

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-18-2-18; IC 20-24; IC 20-27; IC 20-28-9-25; IC 20-32-5; IC 20-43-4; IC 20-43-7.

Synopsis: Various education matters. Amends the definition of "secondary school" to include certain elementary grades for purposes of a federal student loan forgiveness program for highly qualified teachers in high needs areas. Provides that a charter school organizer must establish certain requirements for the distribution of funds or assets of a charter school that ceases operation. (Current law provides that a charter school organizer must establish certain requirements for the distribution of funds or assets upon dissolution of a charter school.) Requires an authorizer to establish a charter school closure escrow account (account) for a charter school authorized after June 30, 2016, to pay certain expenses of the charter school if the charter school ceases operation. Provides that an authorizer's closure protocol shall require that student records of students who no longer attend the charter school or have graduated on or before the date a charter school closes are transferred to the school corporation whose attendance area includes the charter school. After June 30, 2016, requires a contract entered into by the department of education (department) for the development, administration, and scoring of an ISTEP program examination to provide for the return of test scores to the department in a timely manner so that test results may be provided to the state board of education (state board) before July 1 following the administration of the examination. Provides that after essay questions from ISTEP program examinations have been released to the public, the state board and department shall post the questions and exemplary student answers on their Internet web sites, and publicize the posting. Provides that the identities of students who provided the exemplary

(Continued next page)

Effective: July 1, 2016.

Kruse

January 5, 2016, read first time and referred to Committee on Education & Career Development.



answers may not be disclosed. Adds an additional measure by which the depth perception of a school bus driver may be determined. Provides for the revocation of a school bus driver's certificate of completion of school bus driver safety education under certain circumstances. Provides that a school corporation may continue to provide transportation to a nonresident high school student in certain circumstances. Prohibits the use of vans for student transportation. Provides that the transportation by a school corporation of nonpublic or charter school students is limited to pickup and dropoff points on the regularly established school bus routes of a school corporation. Requires the state board to amend its rule establishing developmental delay as a disability category to provide that, beginning July 1, 2017, developmental delay is a disability category solely for students who are at least three years of age and less than nine years of age. (Currently, developmental delay is a disability category solely for students who are at least three years of age and not more than five years of age.) Beginning with the 2017-2018 school year, provides for count dates in October and February for a school corporation's ADM, special education enrollment, and language minority enrollment, and makes corresponding changes to related sections. (Currently, the three counts are taken on different dates.) Directs the state board to amend the board's rules to reflect the single date. Adds developmental delay as a category for mild and moderate disabilities for purposes of determining special education grant amounts.



Introduced

Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

SENATE BILL No. 93

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-18-2-18, AS ADDED BY P.L.1-2005,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 18. **(a) Except as provided in subsection (b),**
4 "secondary school" means a high school.
5 **(b) For purposes of IC 20-28-9-25, "secondary school" has the**
6 **meaning set forth in IC 20-28-9-25.**
7 SECTION 2. IC 20-24-3-3, AS AMENDED BY P.L.280-2013,
8 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2016]: Sec. 3. The organizer's constitution, charter, articles,
10 or bylaws must contain a clause providing that upon ~~dissolution~~: **the**
11 **cessation of operation of the charter school:**
12 (1) the remaining assets of the charter school shall be distributed
13 first to satisfy outstanding payroll obligations for employees of the
14 charter school, then to creditors of the charter school, then to any
15 outstanding debt to the common school fund; and



(2) ~~the~~ remaining funds received from the department shall be returned to the department not more than thirty (30) days after ~~dissolution: the charter school ceases operation due to:~~

(A) closure of the charter school;

(B) nonrenewal of the charter school's charter; or

(C) revocation of the charter school's charter.

If the assets of the charter school are insufficient to pay all parties to whom the charter school owes compensation under subdivision (1), the priority of the distribution of assets may be determined by a court.

SECTION 3. IC 20-24-3-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 19. (a) This section applies to a charter school authorized after June 30, 2016.**

(b) An authorizer shall establish a charter school closure escrow account for each charter school authorized by the authorizer. The charter school closure escrow account shall be used to pay the charter school's expenses described in subsection (d) if the charter school ceases operation.

(c) Except as otherwise provided in this subsection, a charter school shall make monthly contributions to the charter school's closure escrow account established for the charter school during the charter school's initial three (3) years of operation. The amount of each contribution that a charter school is required to make under this subsection is:

(1) for a charter school that is a virtual charter school, five-hundredths of one percent (.05%) of the monthly distribution amount received by the virtual charter school that is attributable to the amount described in IC 20-24-7-13(c)(1); or

(2) for a charter school that is not a virtual charter school, five-hundredths of one percent (.05%) of the monthly distribution amount received by the charter school that is attributable to the charter school's basic tuition support amount described in IC 20-43-6.

However, the total amount of contributions that a charter school is required to make under this subsection may not exceed one hundred thousand dollars (\$100,000). A charter school shall make the contributions required under this subsection within thirty (30) days of receiving the distribution payment from the department under IC 20-43-2-1.

(d) Money in the charter school's closure escrow account shall be used to pay expenses incurred by the charter school associated



1 with:

- 2 (1) conducting a final audit for the charter school;
 3 (2) employee salaries; and
 4 (3) winding up the charter school's affairs.

5 (e) If a charter school ceases to operate, the authorizer shall
 6 submit any balance remaining in a charter school's escrow account
 7 to the auditor of state after paying the expenses described in
 8 subsection (d). The auditor of state shall transfer the amount
 9 received under this subsection to the state general fund.

10 SECTION 4. IC 20-24-9-4.5, AS ADDED BY P.L.280-2013,
 11 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2016]: Sec. 4.5. (a) Before any charter school closure
 13 decision, an authorizer shall develop a charter school closure protocol
 14 to ensure timely notification to parents, orderly transition of students
 15 and student records to new schools, and proper disposition of school
 16 funds, property, and assets. **The closure protocol must ensure**
 17 **orderly transition of student records to new schools and require**
 18 **that student records of students who no longer attend the charter**
 19 **school or have graduated on or before the date the charter school**
 20 **closes are transferred to the school corporation whose attendance**
 21 **area includes the charter school. The school corporation that**
 22 **receives student records under this subsection shall store the**
 23 **records in the same manner that student records are stored for**
 24 **students who have attended a school within the school corporation.**

25 (b) If a charter school closes for any reason, the authorizer shall
 26 oversee and work with the closing charter school to ensure a smooth
 27 and orderly closure and transition for students and parents, as guided
 28 by the closure protocol.

29 SECTION 5. IC 20-27-3-4, AS AMENDED BY P.L.107-2006,
 30 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2016]: Sec. 4. (a) The committee has the following powers:

- 32 (1) The committee may adopt rules under IC 4-22-2 establishing
 33 standards for the construction of school buses and special purpose
 34 buses, including minimum standards for the construction of
 35 school buses and special purpose buses necessary to be issued a:
 36 (A) valid certificate of inspection decal; and
 37 (B) temporary certificate of inspection decal described in
 38 IC 20-27-7-10.
 39 (2) The committee may adopt rules under IC 4-22-2 establishing
 40 standards for the equipment of school buses and special purpose
 41 buses, including minimum standards for the equipment of school
 42 buses and special purpose buses necessary to be issued a:



- 1 (A) valid certificate of inspection decal; and
- 2 (B) temporary certificate of inspection decal described in
- 3 IC 20-27-7-10.
- 4 (3) The committee may adopt rules under IC 4-22-2 specifying
- 5 the minimum standards that must be met to avoid the issuance of
- 6 an out-of-service certificate of inspection decal.
- 7 (4) The committee may provide for the inspection of all school
- 8 buses and special purpose buses, new or old, that are offered for
- 9 sale, lease, or contract.
- 10 (5) The committee may provide for the annual inspection of all
- 11 school buses and special purpose buses and the issuance of
- 12 certificate of inspection decals.
- 13 (6) The committee may maintain an approved list of school buses
- 14 and special purpose buses that have passed inspection tests under
- 15 subdivision (4) or (5).
- 16 (7) The committee may, subject to approval by the state board of
- 17 accounts, prescribe standard forms for school bus driver contracts.
- 18 (8) The committee may hear appeals brought under IC 20-27-7-15
- 19 **and IC 20-27-8-15.**
- 20 (b) The committee shall adopt rules under IC 4-22-2 to set
- 21 performance standards and measurements for determining the physical
- 22 ability necessary for an individual to be a school bus driver.
- 23 (c) The certificate of inspection decals shall be issued to correspond
- 24 with each school year. Each certificate of inspection decal expires on
- 25 September 30 following the school year in which the certificate of
- 26 inspection decal is effective. However, for buses that are described in
- 27 IC 20-27-7-7, the certificate of inspection decal expires on a date that
- 28 is not later than seven (7) months after the date of the first inspection
- 29 for the particular school year.
- 30 SECTION 6. IC 20-27-8-1, AS AMENDED BY P.L.219-2015,
- 31 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2016]: Sec. 1. (a) An individual may not drive a school bus for
- 33 the transportation of students or be employed as a school bus monitor
- 34 unless the individual satisfies the following requirements:
- 35 (1) Is of good moral character.
- 36 (2) Does not use intoxicating liquor during school hours.
- 37 (3) Does not use intoxicating liquor to excess at any time.
- 38 (4) Is not addicted to any narcotic drug.
- 39 (5) Is at least:
- 40 (A) twenty-one (21) years of age for driving a school bus; or
- 41 (B) eighteen (18) years of age for employment as a school bus
- 42 monitor.



(6) In the case of a school bus driver, holds a valid public passenger chauffeur's license or commercial driver's license issued by the state or any other state.

(7) Possesses the following required physical characteristics:

(A) Sufficient physical ability to be a school bus driver, as determined by the committee.

(B) The full normal use of both hands, both arms, both feet, both legs, both eyes, and both ears.

(C) Freedom from any communicable disease that:

(i) may be transmitted through airborne or droplet means; or

(ii) requires isolation of the infected person under 410 IAC 1-2.3.

(D) Freedom from any mental, nervous, organic, or functional disease that might impair the person's ability to properly operate a school bus.

(E) This clause does not apply to a school bus monitor. Visual acuity, with or without glasses, of at least 20/40 in each eye and a field of vision with one hundred fifty (150) degree minimum and with depth perception of at least eighty percent (80%) **or thirty-three (33) seconds of arc or less angle of stereopsis.**

(b) This subsection applies to a school bus monitor. Notwithstanding subsection (a)(5)(B), a school corporation or school bus driver may not employ an individual who is less than twenty-one (21) years of age as a school bus monitor unless the school corporation or school bus driver does not receive a sufficient number of qualified applicants for employment as a school bus monitor who are at least twenty-one (21) years of age. A school corporation or school bus driver shall maintain a record of applicants, their ages, and their qualifications to show compliance with this subsection.

SECTION 7. IC 20-27-8-15, AS ADDED BY P.L.1-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 15. (a) The driver of a school bus for a public or nonpublic school that is accredited by the state board shall have in the school bus driver's possession, while transporting passengers, a certificate that states the school bus driver has:

(1) enrolled in or completed a course in school bus driver safety education as required under sections 9 and 10 of this chapter; or

(2) operated a school bus at least thirty (30) days during the three

(3) year period preceding the effective date of the school bus driver's employment.

(b) A certificate of enrollment in or completion of the course or



courses in school bus driver safety education shall be prescribed by the committee and completed by the designated representative of the committee.

(c) A driver of a school bus who fails to complete the school bus driver safety education course or courses, as required, shall be reported by the person who conducted the course to the committee and to the school corporation where the school bus driver is employed or under contract.

(d) A driver of a school bus who fails to complete the school bus driver safety education course or courses, as required, may not drive a school bus within Indiana while transporting a student.

(e) The department may at any time order the revocation of a driver's certificate of completion of the school bus driver safety education training due to:

(1) fraudulent completion of the annual safety meeting required under section 9 of this chapter; or

(2) circumstances endangering the safe transportation of students, including the following:

(A) Permanent revocation for a:

(i) conviction for a felony or Class A misdemeanor; or

(ii) positive drug or alcohol test result that does not fall under the return to duty policy of the employing school corporation.

(B) A two (2) year revocation for a conviction for a Class B misdemeanor.

(C) A one (1) year revocation for a conviction for a Class C misdemeanor or a judgement for a Class A infraction.

(D) A six (6) month revocation for a judgment for a Class B or Class C infraction.

SECTION 8. IC 20-27-9-1, AS AMENDED BY P.L.99-2007, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. **(a) As used in this section, "eligible student" means an individual who:**

(1) is enrolled in a school corporation;

(2) has legal settlement in the school corporation;

(3) attends school in the school corporation's taxing district; and

(4) is not required by federal or state law to receive transportation services to and from school.

(a) (b) Except as provided in section 5(f) of this chapter, this section does not apply to the use of school buses owned and operated by:



(1) a nonpublic school; or

(2) a nonprofit agency with primary responsibility for the habilitation or rehabilitation of individuals with a developmental or physical disability.

~~(b)~~ (c) Except as provided under sections 2 through 15 of this chapter, a person may not operate or permit the operation of a school bus on a highway in Indiana for a private purpose or a purpose other than transportation of eligible students to and from school.

(d) If a school corporation has provided transportation services to and from school to a student who is not an eligible student for two (2) or more years while the student attended a high school in the school corporation, the school corporation may, at its own expense, continue to provide transportation to and from school for the student. This subsection expires July 1, 2019.

SECTION 9. IC 20-27-9-5, AS AMENDED BY P.L.182-2009(ss), SECTION 318, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) A special purpose bus may be used:

(1) by a school corporation to provide regular transportation of a student between one (1) school and another school but not between the student's residence and the school;

(2) to transport students and their supervisors, including coaches, managers, and sponsors to athletic or other extracurricular school activities and field trips;

(3) by a school corporation to provide transportation between an individual's residence and the school for an individual enrolled in a special program for the habilitation or rehabilitation of persons with a developmental or physical disability; and

(4) to transport homeless students under IC 20-27-12.

(b) The mileage limitation of section 3 of this chapter does not apply to special purpose buses.

(c) The operator of a special purpose bus must be at least twenty-one (21) years of age, be authorized by the school corporation, and meet the following requirements:

(1) If the special purpose bus has a capacity of less than sixteen

(16) passengers, the operator must hold a valid:

(A) operator's;

(B) chauffeur's;

(C) public passenger chauffeur's; or

(D) commercial driver's;

license.

(2) If the special purpose bus has a capacity of more than fifteen



(15) passengers, the operator must meet the requirements for a school bus driver set out in IC 20-27-8.

(d) A special purpose bus is not required to be constructed, equipped, or painted as specified for school buses under this article or by the rules of the committee.

(e) An owner or operator of a special purpose bus, other than a special purpose bus owned or operated by a school corporation or a nonpublic school, is subject to IC 8-2.1.

(f) A van of any size may not be used to transport students for any activity.

SECTION 10. IC 20-27-11-1, AS AMENDED BY P.L.220-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) If a student who attends:

(1) a nonpublic school located in a school corporation; or

(2) a charter school located in a rural school corporation;

resides on or along the highway constituting the regular route of a public school bus, the governing body of the school corporation shall provide transportation for the nonpublic or charter school student on the school bus.

(b) The transportation ~~provided~~ **required** under this section ~~must be from the home of the nonpublic or charter school student or from a point on the regular route nearest or most easily accessible to the home of the nonpublic or charter school student to and from the nonpublic or charter school or to and from the point on the regular route that is nearest or most easily accessible to the nonpublic or charter school from which the student can walk to and from the nonpublic or charter school.~~ **is limited to pickup and dropoff points on regular bus routes established by the school corporation.**

SECTION 11. IC 20-28-9-25 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 25. For purposes of the federal teacher loan forgiveness program provided under 34 CFR 682.216(a)(4), "secondary school" includes any eligible elementary or secondary school at which a highly qualified teacher in a high needs area (as defined in 34 CFR 682.216(b)) is employed.**

SECTION 12. IC 20-32-5-4, AS AMENDED BY P.L.213-2015, SECTION 198, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) The state board shall:

(1) authorize the development and implementation of the ISTEP program and any other statewide assessment, including:

(A) establishment of criteria for requests for proposals;

(B) establishment of criteria for membership of evaluation



- 1 teams; and
- 2 (C) establishment of criteria for content and format of the
- 3 ISTEP program, including the graduation examination;
- 4 (2) authorize the development and establishment of passing
- 5 scores; and
- 6 (3) determine the date on which the statewide testing is
- 7 administered in each school corporation.
- 8 (b) The state superintendent is responsible for the overall
- 9 development, implementation, and monitoring of the ISTEP program.
- 10 (c) The department shall prepare detailed design specifications for
- 11 the ISTEP program that must do the following:
- 12 (1) Take into account the academic standards adopted under
- 13 IC 20-31-3.
- 14 (2) Include testing of students' higher level cognitive thinking in
- 15 each subject area tested.
- 16 **(d) After June 30, 2016, whenever the department enters into a**
- 17 **contract for the development, administration, and scoring of an**
- 18 **ISTEP program examination, the contract must specify that test**
- 19 **scores are returned to the department in a timely manner that**
- 20 **ensures the test results may be provided to the state board before**
- 21 **July 1 following the administration of the ISTEP program**
- 22 **examination.**
- 23 SECTION 13. IC 20-32-5-9, AS AMENDED BY P.L.219-2015,
- 24 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 25 JULY 1, 2016]: Sec. 9. (a) After reports of student scores are returned
- 26 to a school corporation, the school corporation shall promptly do the
- 27 following:
- 28 (1) Give each student and the student's parent the student's ISTEP
- 29 program test scores.
- 30 (2) Make available for inspection to each student and the student's
- 31 parent the following:
- 32 (A) A copy of all questions that are not multiple choice or true
- 33 and false and prompts used in assessing the student.
- 34 (B) A copy of the student's scored responses.
- 35 (C) A copy of the anchor papers and scoring rubrics used to
- 36 score the student's responses.
- 37 A student's parent may request a rescoring of a student's responses to
- 38 an ISTEP program test, including a student's essay.
- 39 (b) A student's ISTEP program test scores may not be disclosed to
- 40 the public.
- 41 **(c) After the questions described in subsection (a)(2)(A) are**
- 42 **released for inspection, the state board and department shall:**



(1) post:

(A) the questions; and

(B) student answers that are exemplary responses to the released questions;

on the Internet web sites of the state board and department; and

(2) publicize the availability of the questions and answers to school corporations, educators, and the public.

A student answer posted under this subsection may not identify the student who provided the answer.

SECTION 14. IC 20-43-4-2, AS AMENDED BY P.L.205-2013, SECTION 275, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) A school corporation's ADM is the number of eligible pupils enrolled in:

(1) the school corporation; or

(2) a transferee corporation;

on the days fixed in September and in February by the state board for a count of students under section 3 of this chapter and as subsequently adjusted not later than the date specified under the rules adopted by the state board. The state board may adjust the school's count of eligible pupils if the state board determines that the count is unrepresentative of the school corporation's enrollment. In addition, a school corporation may petition the state board to make an adjusted count of students enrolled in the school ~~corporation~~ corporation if the corporation has reason to believe that the count is unrepresentative of the school corporation's enrollment.

(b) Each school corporation shall in June of 2013 and in May of each year thereafter provide to the department an estimate of the school corporation's ADM that will result from the count of eligible pupils in the following September. The department may update and adjust the estimate as determined appropriate by the department.

(c) This section expires June 30, 2017.

SECTION 15. IC 20-43-4-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2.5. (a) Beginning with the 2017-2018 school year, a school corporation's ADM is the number of eligible pupils enrolled in:

(1) the school corporation; or

(2) a transferee corporation;

on a day fixed in October that complies with federal pupil enrollment date requirements and a day fixed in February by the state board for a count of students under section 3 of this chapter



1 and as subsequently adjusted not later than the date specified
 2 under the rules adopted by the state board. Single count dates in
 3 October and February shall be used to determine ADM, special
 4 education enrollment, and language minority enrollment. The state
 5 board may adjust the school's count of eligible pupils if the state
 6 board determines that the count is unrepresentative of the school
 7 corporation's enrollment. In addition, a school corporation may
 8 petition the state board to make an adjusted count of students
 9 enrolled in the school corporation if the corporation has reason to
 10 believe that the count is unrepresentative of the school
 11 corporation's enrollment.

12 (b) Each school corporation shall in May of each year provide
 13 to the department an estimate of the school corporation's ADM
 14 that will result from the count of eligible pupils in the following
 15 October. The department may update and adjust the estimate as
 16 determined appropriate by the department.

17 SECTION 16. IC 20-43-7-1, AS AMENDED BY P.L.205-2013,
 18 SECTION 290, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) In addition to the amount a
 20 school corporation is entitled to receive in basic tuition support, each
 21 school corporation is entitled to receive a grant for special education
 22 programs for the state fiscal year. Subject to subsections (b) and (c), the
 23 amount of the special education grant is based on the count of eligible
 24 pupils enrolled in special education programs on December 1 of the
 25 preceding state fiscal year in:

- 26 (1) the school corporation; or
- 27 (2) a transferee corporation.

28 (b) Before February 1 of each calendar year, the department shall
 29 determine the result of:

- 30 (1) the total amount of the special education grant that would
- 31 have been received by the school corporation during the months
- 32 of July, August, September, October, November, and December
- 33 of the preceding calendar year and January of the current calendar
- 34 year if the grant had been based on the count of students with
- 35 disabilities that was made on the immediately preceding
- 36 December 1; minus
- 37 (2) the total amount of the special education grant received by the
- 38 school corporation during the months of July, August, September,
- 39 October, November, and December of the preceding calendar
- 40 year and January of the current calendar year.

41 If the result determined under this subsection is positive, the school
 42 corporation shall receive an additional special education grant



1 distribution in February equal to the result determined under this
 2 subsection. If the result determined under this subsection is negative,
 3 the special education grant distributions that otherwise would be
 4 received by the school corporation in February, March, April, and May
 5 shall be proportionately reduced so that the total reduction is equal to
 6 the result determined under this subsection.

7 (c) The special education grant distributions made in February,
 8 March, April, May, and June of a calendar year shall be based on the
 9 count of students with disabilities that was made on the immediately
 10 preceding December 1.

11 **(d) This section expires June 30, 2017.**

12 SECTION 17. IC 20-43-7-1.5 IS ADDED TO THE INDIANA
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2016]: **Sec. 1.5. (a) Beginning with the**
 15 **2017-2018 school year, in addition to the amount a school**
 16 **corporation is entitled to receive in basic tuition support, each**
 17 **school corporation is entitled to receive a grant for special**
 18 **education programs for the state fiscal year. The amount of the**
 19 **special education grant is based on the count of eligible pupils**
 20 **enrolled in special education programs on the October ADM count**
 21 **date established under IC 20-43-4-2.5 of the current state fiscal**
 22 **year in:**

23 **(1) the school corporation; or**

24 **(2) a transferee corporation.**

25 **(b) Before December 1 of each calendar year, the department**
 26 **shall determine the result of:**

27 **(1) the total amount of the special education grant that would**
 28 **have been received by the school corporation during the**
 29 **months of July, August, September, October, and November**
 30 **of the current calendar year if the grant had been based on**
 31 **the count of students with disabilities that was made during**
 32 **the immediately preceding October; minus**

33 **(2) the total amount of the special education grant received by**
 34 **the school corporation during the months of July, August,**
 35 **September, October, and November of the current calendar**
 36 **year.**

37 **If the result determined under this subsection is positive, the school**
 38 **corporation shall receive an additional special education grant**
 39 **distribution in December equal to the result determined under this**
 40 **subsection. If the result determined under this subsection is**
 41 **negative, the special education grant distributions that otherwise**
 42 **would be received by the school corporation in December of the**



1 **current calendar year and January, February, March, April, May,**
 2 **and June of the subsequent calendar year shall be proportionately**
 3 **reduced so that the total reduction is equal to the result determined**
 4 **under this subsection.**

5 **(c) The special education grant distributions made in December**
 6 **of the preceding calendar year and January, February, March,**
 7 **April, May, and June of a calendar year must be based on the**
 8 **count of students with disabilities that was made during the**
 9 **immediately preceding October.**

10 SECTION 18. IC 20-43-7-3, AS ADDED BY P.L.2-2006,
 11 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) In a school corporation's
 13 nonduplicated count of pupils in programs for mild and moderate
 14 disabilities, the school corporation shall count each pupil served in any
 15 one (1) of the following programs:

16 (1) Emotional handicap, all other.

17 (2) Learning disability.

18 (3) Mild mental handicap.

19 (4) Moderate mental handicap.

20 **(5) After June 30, 2017, developmental delay.**

21 ~~(5)~~ **(6) Other health impairment.**

22 (b) A pupil may be counted in only one (1) of the programs in this
 23 section even if the pupil is served in more than one (1) program.

24 (c) A pupil may not be included in the nonduplicated count in this
 25 section and in the nonduplicated count of pupils in programs for severe
 26 disabilities in section 2 of this chapter.

27 SECTION 19. [EFFECTIVE JULY 1, 2016] **(a) The definitions in**
 28 **IC 20 apply to this SECTION.**

29 **(b) The state board shall amend 511 IAC 7-41-6(a) to provide**
 30 **that, beginning July 1, 2017, developmental delay is a disability**
 31 **category solely for students who are at least three (3) years of age**
 32 **and less than nine (9) years of age.**

33 **(c) This SECTION expires July 1, 2017.**

34 SECTION 20. [EFFECTIVE JULY 1, 2016] **(a) The definitions in**
 35 **IC 20 apply to this SECTION.**

36 **(b) The state board shall amend 511 IAC 1-3-1(h) to reflect the**
 37 **single October and February ADM, special education enrollment,**
 38 **and language minority enrollment count dates required under**
 39 **IC 20-43-4-2.5, as added by this act, effective for the 2017-2018**
 40 **school year.**

41 **(c) This SECTION expires July 1, 2017.**

